



General Assembly

**Substitute Bill No. 141**

February Session, 2010

\* \_\_\_\_SB00141INS\_\_022610\_\_ \*

**AN ACT REQUIRING DISCLOSURE OF OFFSETS IN GROUP LONG-TERM DISABILITY INSURANCE POLICIES.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 38a-519 of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective January 1, 2011*):

3 (a) No group health insurance policy [which] that provides  
4 disability income protection coverage, delivered, [or] issued for  
5 delivery, renewed, amended or [renewed,] continued in this state, [on  
6 or after January 1, 1976,] and no application, rider or endorsement  
7 used in connection therewith shall contain an offset proviso. [No such  
8 policy in effect on January 1, 1976, and no application, rider or  
9 endorsement used in connection therewith shall after January 1, 1981,  
10 contain an offset proviso.] For the purposes of this [section] subsection,  
11 an "offset proviso" means any provision of an insurance policy [which]  
12 that allows the insurer to reduce [his] its liability for loss or expense  
13 from sickness or from bodily injury of the insured by reason of any  
14 increase in [the] other disability benefits that occur on or after the date  
15 a claim commences under [any] such policy.

16 (b) Each group long-term disability income protection coverage  
17 policy delivered, issued for delivery, renewed, amended or continued  
18 in this state, that contains an offset shall disclose to a policyholder in a  
19 conspicuous manner in not less than fourteen-point bold face type: (1)

20 That the policy contains an offset; (2) that such offset will function to  
 21 limit payments to an insured under the policy to the total per cent of  
 22 income specified in such policy, taking into account other benefits the  
 23 insured may receive; (3) for what other benefits the policy will offset;  
 24 (4) the per cent of income the policy covers; and (5) at least one  
 25 example showing how such offset will operate. Such disclosure shall  
 26 include a statement that, if an eligible employee wants a policy that  
 27 does not contain an offset, the employee may contact an insurance  
 28 agent or company for an individual policy.

29 (c) The policyholder shall provide to each eligible employee the  
 30 information and the statement required to be disclosed under  
 31 subsection (b) of this section.

This act shall take effect as follows and shall amend the following sections:

Section 1	January 1, 2011	38a-519
-----------	-----------------	---------

**Statement of Legislative Commissioners:**

In section 1(a), "section", was bracketed and "subsection" was inserted after the closing bracket for accuracy.

**INS**      *Joint Favorable Subst.*